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May 22, 2012

Seattle City Council
600 4th Avenue, 2nd Floor
P.O. Box 34025
Seattle WA 98124-4729

Metropolitan King County Council
516 3rd Avenue, Room 1200
Seattle WA 98104

Dear Councilmembers:

The Port Commission has followed closely the debate and discussion about the proposed sports arena in SODO. Earlier letters from Linda Styrk, the seaport managing director, outlined the concerns of the maritime business and labor communities about impacts on the transportation system and industrial businesses in the area.

Now that the city and county councils have been formally asked to take action on the arena MOU, as the elected leadership of the port we would like to share our perspective on how this development could affect the port's ability to continue generating jobs and economic growth in King County.

To date, the developer has presented no compelling policy or business justification for urgent action on a proposal that has not been fully studied and that could weaken port/industrial businesses that support 33,000 jobs, provide one-third of Seattle's retail tax revenue and generate \$3 billion a year in revenue to the region. We ask you to proceed cautiously and deliberately as you consider this proposal, to gather information about impacts and weigh the potential benefits of a new arena in SODO against the potential loss to the region's industrial and manufacturing base. We also request that you give affected communities, businesses and members of the public an opportunity to evaluate the proposal and its impact.



Today, Seattle and King County are faced with important choices about whether we will strengthen or undermine the port and industrial community that on a citywide basis accounts for \$5 billion in annual sales and one-third of the city's retail tax revenue and has been the basis for our economic success for generations.

The community's shared vision of a vibrant and diverse economy builds on our historic strengths, creating opportunities in the maritime, international trade and industrial sectors, while fostering growth in software, financial services, global health and tourism. The manufacturing and industrial sectors are not separate from either the long-standing economic engines like aerospace or emerging sectors such as biotech – the port and related businesses are the foundation for our shared success. A thriving gateway is what enables us as a region to capitalize on market changes and to expand and strengthen our economy. Jeopardizing the gateway does not just endanger maritime industry; it endangers the economic sectors that have kept our region afloat during a recession that devastated other parts of the country as well as those that offer promise for coming generations.

As stated in earlier letters from the seaport director, we are disappointed that current baseline data for traffic operations in SODO have not been adequately developed. The traffic-management plan now underway will not provide the comprehensive information about the traffic impacts on port-related operations we believe is necessary. We would add that an assessment of the economic impacts on maritime commerce in the region, as well as on land use, has not been developed.

Daily traffic congestion at some key intersections in SODO reaches unacceptable levels with current infrastructure and existing land uses. On game days, that traffic congestion builds throughout the afternoons regardless of game start time. Statements that events attracting an additional 4,000 to 8,000 automobiles four times a week or more will not further congest the streets near the terminals without new mitigations or improvements are not supported by current experience. In addition, the traffic patterns used for Alaskan Way Viaduct planning did not include this significant new use.

Based on our preliminary review, a number of new investments in street and intersection improvements will likely be necessary, along with some operational changes affecting freight and transit movements. The proposed agreement with the developer appears to make no provision for analyzing or funding these improvements.

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At the same time, we are encouraged by the offer of the city and county for a focused discussion with the port about how to maximize the efficiency and capacity of the existing road system in the harbor area. The Port Commission pledges to work with the city and county on these issues.

Such a focused discussion between the port, county and city is necessary. The SODO arena proposal is emerging at a time when the maritime and industrial sectors are already facing considerable stress from speculative redevelopment pressures as well as congestion on freight routes from the lack of east-west connections, rising cost of city utilities and stormwater control, regulatory barriers and, for businesses along the Duwamish, the prospect of Superfund cleanup liabilities. Mayor McGinn has stated that he will not support any zoning changes outside the stadium overlay district. While encouraging, his assurance alone may not protect this zoning now and in the future. Recent news reports quote Mr. Hansen as saying that encroachment on industrial land is inevitable, and that accelerating that process would be a good thing for the region. We disagree. The steady growth in taxable income and employment enjoyed by Seattle's manufacturing sector underscores the need to preserve harbor access for those uses that cannot exist without it.

The focused discussion between the city, the port and the county should also include the port's Century Agenda, and the port's plans to generate 100,000 new jobs in the next 25 years by increasing maritime cargo, expanding manufacturing capabilities, doubling the number of direct international routes into SeaTac, increasing air freight, and by doubling the economic value of both the cruise and commercial fishing industries. As elected officials charged with stewarding the region's economic assets, we must strive to develop new job generating opportunities without jeopardizing existing job generators that have the capacity to grow.

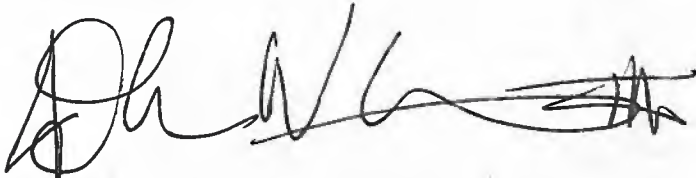
We look forward to collaborating to build and sustain our larger shared economic vision for the city and region.

Sincerely,

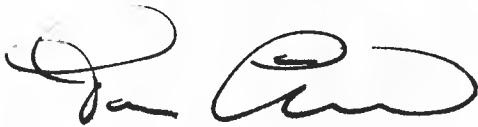


Commissioner Gael Tarleton, President

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A handwritten signature in black ink, appearing to be 'John Creighton', with a stylized, somewhat abstract ending.

Commissioner John Creighton, Vice-President

A handwritten signature in black ink, appearing to be 'Tom Albro', with a large, looping 'T' and a simple 'A'.

Commissioner Tom Albro

A handwritten signature in blue ink, appearing to be 'Bill Bryant', with a large, stylized 'B' and 'B'.

Commissioner Bill Bryant

A handwritten signature in blue ink, appearing to be 'Rob Holland', with a large, stylized 'R' and 'H'.

Commissioner Rob Holland

Att: Summary of Regional Transportation Investments

cc: Tay Yoshitani, CEO
Mayor Mike McGinn
County Executive Dow Constantine